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Government
Publications

Annual Report 2007



Board of Funeral Services

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Annual Report

Board of Funeral Services

Board Membership

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the *Funeral Directors and Establishments Act*, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

BOARD OF DIRECTORS

| | 2008 | | 2007 | |
|------------|------------------|------------------|------------------|------------------|
| Chair | Alison Knight* | Toronto | William Kiteley | Sault Ste. Marie |
| Vice-Chair | Cathy Taylor* | Toronto | Alison Knight* | Toronto |
| Treasurer | Ronn Dodge | Forest | Kirk Elliott | North Bay |
| | William Kiteley | Sault Ste. Marie | Kevin Daudlin | Toronto |
| | Mumtaz Akhtar* | Ottawa | Ronn Dodge | Forest |
| | Chris Ferguson* | Toronto | Chris Ferguson* | Toronto |
| | Robert Hubbert | St. Catharines | Robert Hubbert | St. Catharines |
| | Doug Kennedy | Toronto | Robert Oliphant* | Toronto |
| | John Laframboise | Ottawa | Kevin Palin | Toronto |
| | Robert Oliphant* | Toronto | Harry Rath | Belleville |
| | Kevin Palin | Toronto | Wayne Smith | Peterborough |
| | Harry Rath | Belleville | Cathy Taylor* | Toronto |
| | Tracy Seaton | Ottawa | David Wilhelm* | Milton |

*Denotes Public Member

STAFF

Registrar

Joseph Richer

Manager, Inspections & Investigations

René Brakel

Inspectors

Randy Balon

Michelle Crognale

Karie Draper

Ken Singh



General Legal Counsel

Steinecke Maciura LeBlanc

Discipline Committee

Independent Legal Counsel

Alan Bromstein – Barrister & Solicitor

Manager, Licensing & Administration

Susan Beck

Coordinator Administrative Services

Liselotte Kidston

Administrative Bookkeeper

Marlen Weiler

Professional Competence Officer

Vicki McCoy

Bilingual Administrative Assistant

Claude Civil



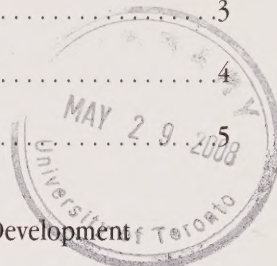
Auditor

Harris and Wright



Table of Contents

| | |
|---|----|
| Our Mission | 2 |
| Our Corporate Goals and Values | 2 |
| Message from the Chair | 3 |
| Message from the Registrar | 4 |
| Business Plan Achievements 2007 | 5 |
| Strategic Outcome 1 - Maintaining High Levels of Consumer Protection | |
| Strategic Outcome 2 - Advancing Service Excellence Through Professional Development | |
| Strategic Outcome 3 - Increasing Public Awareness | |
| Strategic Outcome 4 - Managing Uncertainty | |
| Board Committee Updates | 8 |
| Discipline Committee | 8 |
| Compensation Fund Committee | 10 |
| Complaints Committee | 11 |
| Licensing Committee | 13 |
| Audit, Finance and Risk Committee | 15 |
| Inspection Team | 16 |
| Licensing and Administration Team | 18 |
| Board of Funeral Services Financial Outlook | 22 |
| Auditors' Report | 22 |
| Balance Sheet | 23 |
| Statement of Revenue and Expense | 24 |
| Statement of Surplus | 24 |
| Statement of Cash Flows | 25 |
| Notes to Financial Statements | 26 |
| Prepaid Funeral Services Compensation Fund | |
| Balance Sheet | 28 |
| Statement of Revenue and Expense | 28 |



Our Mission

The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

Our Corporate Goals and Values

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the *Act*
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Government & Consumer Services retains responsibility for Ontario's consumer protection legislation and regulations and oversees the quality of services provided by the Board.

Message From the Chair

Who would have thought at the end of 2007 we would still be waiting for the proclamation of the *Funeral, Burial and Cremation Services Act, 2002*? The complexities of the many issues facing the sector and periodic staffing changes within the Ministry have resulted in a significant amount of time to finalize the regulations.

We maintain open lines of communication with the Government, particularly in matters concerning the new legislation, the *Funeral, Burial and Cremation Services Act, 2002* (FBCSA), having made submissions on the revised regulations released this year.

Our primary focus is on the education required for new licences established under the FBCSA. While the new legislation brings several enhanced consumer protection initiatives, the Board members are unanimous that many will be negated if licences have to be issued to individuals who do not possess the minimum training to meet the needs of consumers. The Board believes consumers are entitled to deal only with properly trained individuals and continues to encourage the Government to develop and implement minimum training standards as soon as possible. We look forward to working with the Government to ensure strong consumer protection through licensee education.

This year we welcomed three new members to the Board and look forward to the newly elected members joining the Board. The infusion of new members creates a great opportunity for new ideas and thoughts for our future.

I would like to thank those members who left in 2007 or will be leaving us early in 2008, namely, Kevin Daudlin, Karie Draper, Kirk Elliott, Patrick McGarry, Donald Sanderson, Wayne Smith, and Father David Wilhelm who have all contributed so much during their term as Board Members.

We are still awaiting the full implementation of the Loss, Grief & Growth Education Project. The Board sees tremendous potential for the program and eagerly awaits its successful implementation.

Our outreach and support to interns has been well received and our participation in community workshops and trade shows has raised the Board's profile in the community. Our presence at the Humber College job fair has also been well received by aspiring funeral directors and employers alike.

Our new computer system and database are now in full swing. Online licence renewals, a new Web site are just a few of the enhancements to better serve licensees and consumers.

To summarize my year as chair I would have to say it was "a hurry up and wait year" – mostly wait. We as a Board are ready and eager to get on with the task of implementing the new laws and education standards. However, we cannot do that until we know which direction the new legislation will take. Be assured that when that day comes, and it will, we are up to the challenges it presents.

My gratitude and heartfelt thanks go out to Joseph Richer, Registrar and all his staff for their endless support. Their dedication to our mandate is clear and unwavering. And to my fellow Board members – thank you for your wisdom, guidance and friendship this past year.

Finally a personal note. If you are the type of person who thinks for whatever reason that you couldn't possibly sit on the board (as I did for years) – you are wrong!! As I was wrong. The opportunity of representing my profession at this level is something I will never forget. The ability as a Board member to shape the future protection of those consumers whom entrust their dearest possession to us as professionals is humbling. Thank you for the gift of trust you have afforded me. To find out how to get involved, please contact the Registrar.

Sincerely,

Bill Kiteley

Chair



Message From the Registrar

In a word, this was the year of enhancements. In many areas of the operation, we looked to enhance or improve our level of service or commitment to education and consumer protection.

The implementation of a new information technology infrastructure has allowed us to be more effective and efficient in many aspects of our operations, i.e. more efficient renewal of licences, an enhanced ability to mine the data we are collecting, which in turn will allow us to make better decisions. With the broader payment options available to licensees has come the need to ensure the security of the personal information collected in the licensing process and steps have been taken to this end.

The introduction of an intern outreach program intended to support interns during their internship has been very well received. The new program allows interns the opportunity to share successes, challenges and tools to contribute to a positive internship.

While the inspection team continues to place additional focus on operators exhibiting lower levels of compliance, the overall level of compliance across the province appears to be very high. Inspection surveys also show that operators continue to see value in the inspection program as an educational tool and necessary to ensure high levels of consumer protection.

Building on the quality assurance program in place for the inspection program, the Complaints Committee and staff have developed a quality assurance survey around the complaints process, which will be implemented in 2008.

Consumer education and protection remain our primary goal. We continue to seek appropriate consumer shows to educate the public and to take appropriate action to ensure consumers are protected. A few business and personal licence revocations were necessary in 2007. Though necessary, such decisions are never taken lightly. While the actions of a few licensees in particular have garnered negative media attention, we hope that the quick and decisive action on the part of the Board will help to maintain consumer confidence in the sector. In one case, a licensee is facing numerous criminal charges and in another, a licensee was convicted and sentenced to twelve months in prison, several years after the Board took action to protect consumer prepayment funds.

2007 saw the change of ownership of 32 locations, most of which involved the Service Corporation International takeover of the Alderwoods Group, Inc. However, over the past two years, 22 other locations have also changed hands. While no notable reason has emerged to date to explain the slight increase in ownership changes, we will continue to monitor the situation.

The long awaited proclamation of the *Funeral, Burial and Cremation Services Act, 2002*, will have to wait until 2008. The Board staff sees many consumer protection benefits in the legislation, but many complicated areas are still being negotiated between the Government and stakeholders.

Finally, the SARS Commission released its report in the Spring of 2007. While there were many recommendations in the report surrounding the broader funeral sector, we believe many areas have already been addressed to ensure more and better information is delivered from public health officials to Ontario licensees.

I would like to thank the members of the staff for their continued dedication and support as we implemented new systems and the Board for its guidance and support. In particular, I would like to thank Bill Kiteley for his leadership and commitment as Chair in 2007.

Joseph Richer

Registrar



2007 Business Plan Achievements

The Board believes that in order to carry out its mandate and achieve its goals and vision, it must focus on the four following "Strategic Outcomes."

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

Each of the Strategic Outcomes drives the Board's activities for the year and provides a framework for setting annual targets. Highlighted below are some key achievements this year.

STRATEGIC OUTCOME 1 - *Maintaining High Levels of Consumer Protection*

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out site inspections and ensure high levels of compliance. In addition, it must handle consumer enquiries, and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of prepayment funds.

Inspections Keep in Step

The Inspection Team carried out 219 inspections, exceeding its goal of 200 for the year. The program uncovered approximately \$17,000 in refunds owing to consumers, worth an average of \$200 per refund.

Complaint Process Continues to Improve

The Board successfully mediated to the satisfaction of the parties approximately 30% of the complaints considered in the year, which also resulted in average refunds of \$876. In addition, matters are handled promptly. On average a decision or resolution was made within 70 days of the receipt of the complaint, which included the licensee average response time of 15 days.

To ensure the quality of the complaint handling process, a survey regarding the service provided by the Board and its staff has been developed and approved for implementation in 2008, as part of a quality assurance program.

Healthy Compensation Fund

Two claims were paid by the Compensation Fund in 2007, for a total of approximately \$2,000. The Fund continues to maintain a healthy balance and a diversified portfolio, with a current market value of \$2.19 Million.

The Committee also carried out a review of the trustee and portfolio manager. The committee was pleased with the performance of the portfolio and the investments, so no change was made.

Involvement in Development of New Legislation

The Board focused on the legislative front, submitting comments to the Ministry of Government and Consumer Services regarding draft regulations released for public comment. The Board's focus remains on proper training to appropriate competencies for all personal licensees.

Alternative Enforcement Mechanisms

The Board continues to consider alternative enforcement mechanisms to achieve compliance. The Registrar entered a form of agreement with some licensees or took some other form of administrative action.



STRATEGIC OUTCOME 2 - *Advancing Service Excellence Through Professional Development*

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and knowledge. The Board has reviewed funeral service education in Ontario and has developed an implementation plan based on the recommendations in the report.

Preceptor Training Program & Intern Outreach Program

To support interns during their internship, the Board has developed an intern outreach program that provides interns the opportunity to share ideas and experiences in order to be successful in their endeavour. The program provides tools to assist interns to successfully manage challenges they might face during their internship. The thirteen facilitated workshops were held in several cities around the province and were very well received by participants. The Board will run the program again in 2008.

The Preceptor Training Program continues to receive positive support. Over 200 funeral directors have now completed the program, which was delivered twice in 2007.

Successful Professional Development

PD 2007 Toronto received very positive comments from the over 340 funeral director participants. The program also included a session on some issues facing the sector, including the legalities of identifying and dealing with legally authorized individuals.

Proactive Communications with the Profession

The Board published three newsletters, which included special updates on the *Funeral, Burial and Cremation Services Act, 2002* and other issues facing licensees. Board representatives also attended several meetings of provincial and local professional associations, including a tradeshow where Board staff attended to allow licensees to ask questions in a more comfortable atmosphere.

Active Participation in Education Development

Early in the year, the Board took part in an education development meeting hosted by the Ministry of Government and Consumer Services. The meeting allowed the Board and stakeholders to hear the Ministry's plan to begin researching necessary education standards for various personal licences under the *Funeral, Burial and Cremation Services Act, 2002*. The Board is pleased that the Ministry appears to be following an objective process that the Board has also advocated and looks forward to the process being initiated.

STRATEGIC OUTCOME 3 - *Increasing Public Awareness*

The Board of Funeral Services believes that increased public awareness and education will ultimately lead to increased levels of consumer protection. Increasing the profile of the Board, and educating consumers about the need to deal with duly licensed funeral establishments or transfer services will continue to be a key area of focus.

Consumer Shows

The Board continued its outreach initiative by attending consumer shows to promote awareness of the Board and consumer protection. With an attractive booth display and knowledgeable staff, the Board attended five consumer shows and presentations this year. Overall, the Board's presence was well received by consumers. The banners that form the backdrop for the Board's display are also available for use by stakeholders promoting consumer protection.

Consumer Access to Information & the Board Made Easy

The Board continued to make its consumer publications readily available through its Web site, upon request by consumers and licensees and distributed many at consumer shows and presentations. The brochures are available free of charge to licensees to distribute to consumers.

Web Site Enhancements Improve Communications

The Board's renovated Web site became operational in 2007 providing new features for consumers, but more importantly for licensees, who are now able to renew their personal licences online. A registrant search and more consumer information are but two of the enhancements. We encourage licensees and consumers to visit www.funeralboard.com

Consumer Calendar

For the first time, the Board took part in the Ministry of Government and Consumer Services Smart Consumer Calendar, which promotes consumer awareness of over 15 consumer protection agencies. Over 250,000 copies of the calendar were published and circulated to Ontario consumers. After participating in the successful 2007 calendar, the Board has committed to the 2008 calendar.

STRATEGIC OUTCOME 4 - *Managing Uncertainty*

Pending legislative reform and the possibility of the creation of a single Delegated Administrative Authority for the entire Bereavement Sector, the Board believes the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with staff and the profession at large.

Maintaining Focus on Current Mandate and Operational Delivery

The goal of the Board was to maintain numbers of inspections and quality of service. In 2007, the inspection team carried out 219 inspections and the program received positive support from licensees surveyed.

Applications for new licences and renewals were processed efficiently with very few delays, as were complaints considered by the Complaints Committee.

Ongoing Communication with the Profession

The Board kept the profession informed of ongoing initiatives through regular newsletters and bulletins.

Board Committee Updates

The Board of Funeral Services has established seven Committees or Teams, which together enable the Board to carry out its mandate and strive towards achieving the Strategic Outcomes of its business plan:

- ◆ Discipline Committee
- ◆ Compensation Fund Committee
- ◆ Complaints Committee
- ◆ Licensing Committee
- ◆ Audit, Finance and Risk Committee
- ◆ Communications and Long Range Planning Committee
- ◆ Inspection Team
- ◆ Licensing and Administration

While the activities of each Committee may contribute more directly to one or two specific Strategic Outcomes in the Annual Business Plan, it is the combined efforts and cooperation of the Committees and the Board that has enabled the organization to achieve its greatest success. The following are the reports of each Committee's findings, activities and accomplishments in the year.

DISCIPLINE COMMITTEE - *Ensuring Rights of Consumers*

Mandate

The Board of Funeral Services is committed to ensuring its licensees act professionally at all times to ensure that consumer's rights are protected and that their needs are met. The Board's Discipline Committee considers allegations of professional misconduct or incompetence against funeral directors. The allegations can be referred to the Discipline Committee by the Complaints Committee, the Executive Committee, or the Board itself.

The Discipline Committee follows established procedures for hearings and is advised by independent legal counsel. The Board of Funeral Services is represented by legal counsel and the funeral director has the right to be represented by legal counsel as well. The Discipline Committee's decisions may be appealed to the Licence Appeal Tribunal ("LAT"), which is independent from the Board.

This report also covers related matters where the Registrar entered a form of agreement with the licensee or took some other form of administrative action.

Cases Heard in 2007

In 2007, the Discipline Committee heard one case, leading to a finding of professional misconduct.

In this case, based on agreed facts, the funeral director pled guilty and was found guilty by the Discipline Committee of professional misconduct, as a result of picking up a deceased from the hospital before having a signed contract or permission of the purchaser, next of kin or executor. The consumer was simply making enquiries and ultimately went with another provider. The Committee ordered that: the funeral director be reprimanded; the funeral director's licence be suspended for two weeks; pay a fine of \$2,000; and that the funeral director attend the next Professional Development program.

As reported in 2006, a funeral director found guilty of professional misconduct for the misappropriation of prepayment funds appealed the Committee's decision to the Licence Appeal Tribunal ("LAT"), but the appeal was denied. The funeral director subsequently appealed the LAT decision to the Superior Court of Justice and then abandoned the appeal. The conviction stands. The committee understands that other cases are pending and will be heard in 2008.

Related Matters

In related matters, the Board obtained undertakings from one funeral director. The undertaking was the result of concerns that came to the Board's attention about the funeral director soliciting of consumers. The funeral director undertook to: 1) never again solicit prepaid clients on behalf of a funeral home; 2) pay to the Board the amount of \$2,000 towards the costs of investigating and resolving the concerns; and 3) provide to the Board for its review, every month for a 12 month period, all prepaid contracts negotiated by the funeral director.

Being my last report as Chair of the Discipline Committee, I would like to say how much I have enjoyed working with the Committee members. It is always challenging to find the balance between fairness and actual discipline. We must also remember that the funeral directors who appear before us represent a very small percentage of our profession and we are thankful for that fact. I cannot sign off without a heartfelt thank you to Joseph Richer and all the staff for all the work they do in supporting us.

Wayne Smith

Chair



COMPENSATION FUND COMMITTEE – *Compensation, it's a matter of principle*

Mandate

The Compensation Fund Committee administers the Prepaid Funeral Service Compensation Fund, which provides compensation to consumers when they have suffered a financial loss because their prepayment funds were mishandled. All claims must be supported by documentation, such as proof of payment.

Claims

The Committee is pleased to report that in 2007 only two claims were filed against the Fund. The two claims, totaling approximately \$2,000, were the result of refunds not issued by a provider whose licence was surrendered.

Trustee and Portfolio Manager Review

The Committee reviewed the performance of the portfolio and along with the performance of the trustee and the portfolio manager. While the Committee was pleased with the performance of the portfolio, it believed it was important to look at other options to ensure the quality and value was meeting the needs of the Fund. After comparing several other providers, the Committee decided to remain with the current providers.

Managing the Fund

The Committee meets regularly to review the Fund's portfolio to ensure its assets are secure and well positioned for the economic climate. With assets valued at approximately \$2.19 Million, the Fund is healthy and invested in a balanced portfolio. Key parts of the financial statements of the Fund are included in the Board's Annual Report and full financial statements are always available from the Board office upon request.

The Committee would like to thank the Board and the staff for their support and guidance in managing the affairs of the Fund.

David Wilhelm

Chair

COMPLAINTS COMMITTEE

Mandate

The mandate of the Complaints Committee is to consider and adjudicate consumer complaints regarding a licensee's conduct.

About the Complaints

The Committee is sensitive to the fact that grief can magnify what might in otherwise normal circumstances be fairly minor issues and believes it is regularly faced with complaints that are unfounded. While there were occasions where licensees clearly did not follow the directions of the consumer, there were several examples of complaints based on simply unrealistic consumer expectations. As an example, the committee had to consider complaints that involved funeral arrangements made over 5 years prior and in one case over 10 years.

The Committee appreciated the licensees' commitment to dealing professionally and seriously with all matters brought before the Committee for its consideration, regardless of the apparent circumstances.

As noted in previous years, it remains critical for licensees to be very sure that they are taking instruction from the legal representative of the deceased and no-one else. The onus is on licensees to get the right information from the right person. The Committee continues to see a significant portion of complaints that could have been averted by taking greater care in this respect.

Learning from Complaints

We continue to use the Board's newsletter as a means of both educating and notifying licensees of issues that have come before the Complaints Committee. This year the Committee published an article about the use of interpreters (cultural and religious) and the precautions that ought to be taken to ensure consumers are properly served and that licensees remain the key figures making arrangements.

It is clear that the Committee's recommendation in 2006 for the Board to include in its Professional Development program a session covering the legal issues around taking direction from the correct person was very well received by licensees and will be repeated in upcoming programs.

Complaint Summary

The Board received 30 complaints between November 1, 2006 and October 31, 2007. Of these, 25 were dealt with in 2007 and the Committee will consider the remaining 5 in 2008. The Committee also dealt with 2 complaints from 2006. The following is a breakdown of the disposition of the 27 complaints considered this year.

| | |
|--------------------------|----|
| In favour of licensee | 7 |
| In favour of complainant | 10 |
| Mediated by Board staff | 8 |
| Withdrawn | 0 |
| Referred to discipline | 2 |

Either party to the complaint may appeal the decision of the Complaints Committee to the Licence Appeal Tribunal ("LAT"); one appeal was filed this year, but the matter was resolved between the licensee and complainant during the hearing.

One appeal carried over from 2006 was heard by the LAT in 2007. The facts, as outlined in the Divisional Court's decision, are as follows: [The complainant's wife] died on November 28, 2005. The [Funeral Home] was responsible for funeral arrangements. [The complainant] complained about the disappearance of a pair of one half carat diamond earrings worn by his late wife during the visitation period at the [Funeral Home]. [The complainant] asserted that the funeral home was responsible for the disappearance of the earrings. The funeral home took the position that all jewellery had been returned to the family of the deceased.



Based on inconclusive evidence, the Complaints Committee did not refer the matter to the Discipline Committee, but did make recommendations to the funeral home to alter its approach to handling personal effects.

The matter was appealed to the Licence Appeal Tribunal (LAT), which found the funeral home responsible for the missing earrings and ordered the funeral home to compensate the complainant for the missing earrings.

The Board appealed the decision to the Divisional Court on the grounds that neither the Complaints Committee nor the LAT has the authority to order such compensation.

The Superior Court overturned the LAT decision, and restored the Complaints Committee's decision.

Resolved Disputes

The Committee is pleased that the staff was able to resolve approximately 30% of the complaints it considered this year. The Committee reviews every resolution to ensure that it is appropriate given the circumstances; it accepted all resolutions presented in 2007. The resolutions resulted in the consumers receiving refunds or price reductions for a total value of \$5,257 or an average of \$876.

High Level of Service

The Committee is pleased that it and the staff were able to consider matters within an average of 70 days, exceeding its goal of 80 days. The Committee is pleased with the turnaround time, which includes the licensee's average response time of 15 days.

In order to build on its high level of service, the Committee has developed a quality assurance program that involves a survey regarding the service provided by the Board and its staff. The program will begin in 2008 and the Committee looks forward to learning from the results.

The Committee believes that Ontario consumers needing funeral services are generally being treated fairly and in a professional manner and the noted examples are the exceptions and not the rule.

Christopher Ferguson

Chair

LICENSING COMMITTEE

Mandate

The Licensing Committee comprises three members – one Public Member and two Funeral Directors. The work of the committee includes reviewing the training processes to ensure their relevance to funeral service education in Ontario. In addition, the Licensing Committee oversees the internship program, examinations and professional development programming. Matters referred by the Registrar with respect to candidate licensing eligibility also appear on the Committee's agenda from time to time.

Training Preceptors and Practical Examiners

The Board delivered its Preceptor Training Program three times in 2007 with over 200 individuals now having taken the program. The program continues to receive top marks from participants.

Our Practical Examiner Training & Qualification Program continues to evolve to provide better training to those assessing candidates' competency in embalming. The process of allowing interns the opportunity to attempt their practical examination as soon as they have completed their 50 embalmings, first implemented in 2006, continues to provide a smooth delivery of practical examinations with minimal delays.

Intern Support

The Committee was pleased with the overwhelming success of the Intern Outreach Program carried out in December 2006 and January 2007. The program, established based on a recommendation in the Board's 2001 *Report on the Review of the Goals and Objectives of Funeral Service Education in the Province of Ontario* (the "Education Report"), involved thirteen facilitated sessions where participants were able to share their thoughts, successes and challenges with their peers in a supportive environment. The goal of the session was to provide an informal, supportive environment for interns to share and learn from each other's experiences.

Over 80% of eligible interns participated, 98% of whom said they would recommend the session to peers and future interns.

The Board shared tools intended to empower interns in their quest to become funeral directors. The following are just a few of the many comments made by participants.

"This is a great way to see how other interns are doing and to think of solutions on how to handle working in the funeral home. This session helped to reassure my self confidence."

"It allowed us to talk about things that we cannot discuss anywhere else."

"Very informative. There is a feeling of support – you are in this together. You can share ideas."

Given the success of the program, the Board has sessions planned for the fall of 2007 and early 2008.

Research and Renovations Based on Intern Input

In addition to the intern outreach program, the Committee sought to hear what interns were saying about the internship and their education as a whole. During a facilitated focus group, interns made several recommendations.

Based on intern recommendations, the Board's embalming report has been amended to be more user friendly and capture the most important information.

The Board has also been researching funding opportunities for interns and employers. While there are minimal options readily available, the Board continues to investigate options that may be available through the Ministry of Training, Colleges and Universities.

Professional Development Program

The Professional Development program offered in 2007 was very well received by participants.

To celebrate the profession's heritage and in recognition of its commitment to service, the Board again presented Legacy Awards to those in attendance who have been licensed for fifty or more years. The awards appear to be appreciated by all participants, especially the recipients.

Licensing Examinations and Student Awards

The licensing examinations remain appropriately challenging for those eligible to write. Exam questions are reviewed regularly to ensure fairness and to ensure they reflect changes in funeral service in Ontario.

We were delighted to present awards to the Funeral Service Education students who achieved the highest scores on the Licensing Exam on their first attempt. Congratulations to Paul Korneluk from Collège Boréal and to Michael Jaffray from Humber College.

Best wishes for 2008.

Kevin Daudlin
Chair

AUDIT, FINANCE AND RISK COMMITTEE

The Audit, Finance and Risk Committee held four meetings in 2007. The Committee continues to monitor the horizon identifying and assessing risks facing the Board.

The Committee worked with the staff to manage the challenges it encountered in the implementation of the Board's new information technology infrastructure. Development challenges required additional funding and the Committee provided the oversight in the assessment of the Board's needs and the corresponding resources to achieve the desired product.

The Committee continues to be concerned about the potential impact of the implementation of the *Funeral, Burial and Cremation Services Act, 2002* and the possibility of winding down the Board of Funeral Services upon the creation of a single regulatory body for the entire sector. The Ministry of Government and Consumer Services is projecting that the regulations will be finalized and the implementation of the Act in 2008.

The Committee was pleased with the operational changes implemented by the staff to ensure better controls for the investment of the Board's surplus funds and the tracking of the Board's inventory.

Looking ahead to 2008, the Committee will focus more specifically on the development of a comprehensive risk map for the organization and the impact of other proposed legislation, such as the *Accessibility for Ontarians with Disabilities Act, 2005*.

Alison J. Knight, FCA

Chair

COMPLIANCE 2007 – *The BOFS Inspection Team*

The Inspection Team

In 2007, the BOFS Inspection Team again had a productive year and focused on consumer protection and their Risk Based Scheduling of licensees with lower levels of compliance and regular inspections. During 2007, the Inspection Team spent less time than anticipated on the *Funeral, Burial and Cremation Services Act, 2002* and is waiting for the new legislation, likely in 2008.

Inspection Details for 2007

This year the inspection team carried out **219** inspections, exceeding its goal of 200. The inspection team uncovered approximately \$17,000 owing to consumers, which is slightly less than last year.

The number of compliance items identified during inspections saw a marginal increase from 5.6 to 6.1. The inspection team has focused on documents (contracts & price lists) to ensure that they were consumer friendly and easy to understand. The average number of contract and price list issues dropped slightly from 2.5 to 1.9 items over 2007.

The inspection team updated the inspection letter for Mosques and changed the inspection process and the documents requested. All Mosques that provide services for their members were inspected in 2007.

Inspection Data Summary

| | 2007 | 2006 | 2005 |
|---|-------------|-------------|-------------|
| Inspections | 219 | 213 | 218 |
| Routine | 203 | 190 | 200 |
| Tightened Inspections carried out | 38 | 20 | 24 |
| New Premises or Ownership and misc. | 10 | 15 | 12 |
| Premises closed | 6 | 8 | 6 |
| Refunds to consumers | \$16,963.92 | \$20,095.89 | \$24,845.04 |
| Average compliance items identified | 6.1 | 5.6 | 5.7 |
| Items relating to price lists/contracts | 1.9 | 2.5 | 2 |

Inspection Team's Progress – Risk-Based Inspections

The majority of the inspections that are scheduled on a tightened rotation are the result of businesses opening or closing or changing ownership. Of those where licensees were inspected as the result of a tightened schedule based on their last inspection, there is a decrease in the average number of compliance items observed, from ten to just over seven.

While still above the provincial average of 6.1, there is a noticeable improvement. We will continue to track the data to measure the effectiveness of the program.

Part of the Risk-Based Inspection program is to identify licensees that are struggling with maintaining compliance and may require some additional assistance or encouragement to do so. The Board believes that the frequent inspections of these licensees will improve consumer protection and overall licensee compliance.

Investigations

The team conducted 25 investigations, 21 of which were closed in 2007. The investigations involved a variety of issues including: prepaid money that had been misappropriated, inappropriate funeral director behaviour, advertising issues, falsified reports of the public accountant and improper solicitation by a funeral director, among others.

Some of the investigations resulted in significant action, such as disciplinary action or proposal to revoke the licence. More minor issues resulted in cautions or no action at all. Approximately 28 percent of the investigations were initiated by information received from licensees.

Stakeholder Education & Outreach

Based on licensee inquiries and consumer complaints, the inspection team promoted the publication of an article on the topic of proofs of death. Reprinted with permission of the original author, the article is very thorough and provides good guidance to all licensees. In support of the Complaints Committee, the team prepared an article about the use of interpreters (language and religious) to ensure licensees understood not only the benefits, but the accountability.

The inspection team represented the Board at consumer shows and tradeshow where consumers and licensees alike could make inquiries in a more comfortable atmosphere and receive literature promoting consumer awareness and making an informed choice. The Ontario Association of Cemetery and Funeral Professionals convention gave the team an opportunity to speak to numerous attendees and answer questions about current and proposed legislation.

Customer Service – Balancing Consumer and Licensee Needs

The inspection team provides quality service through its balanced approach to inspections and continues to be proactive on compliance issues, while maintaining a constructive relationship with licensees. In 2007, the inspection team reviewed the 2006 inspection quality assurance survey results and found there were no issues identified by licensees that needed to be addressed. Overall, the survey shows that licensees support the program as it is structured. The Inspection team remains open to suggestions from the profession on how to improve the inspection/compliance process to be less intrusive and useful as an educational tool without compromising consumer protection.

Regularly, the team receives numerous positive comments supporting the inspection program and staff, with one licensee commenting that, “The inspector has always been very professional in any inspections we’ve had through our several locations. I’ve also appreciated the times throughout the year when I’ve been able to call and the inspector has always provided suggestions and answers promptly.”

One of the licensees surveyed wrote, “I personally find the inspection to be a positive experience for the funeral home and it assists us as owners and managers to more efficiently and professionally run our business and serve the public.” The many comments such as these that appeared in the surveys support our belief that licensees appreciate input from the inspection team and its availability as a resource. The inspection team appreciates and encourages licensee feedback.

Using New Systems to our Advantage

During 2007, the inspection team assisted in the development of the Board’s new database to ensure it captured the information necessary to optimize its effectiveness for enforcement activities. The system will allow the team to access the information necessary to the inspection remotely and to generate data that can be analyzed to identify patterns or trends and to focus on the less compliant operators. The team is looking forward to further developing the system to optimize the effectiveness of the inspection program.

In Store for 2008

For 2008, the inspection team will focus on a number of issues. The team will continue its risk-based approach to scheduling inspections. The team has targeted 200 inspections as its goal, but the introduction of the *Funeral Burial and Cremation Services Act 2002* may force the team to reduce the target and focus on licensee education and support for the transition to the new legislation.

A key support tool for licensees will be sample documents, such as contracts and price lists, to assist licensees manage the change. The inspection team will no doubt spend considerable time becoming more familiar with the complexities of the FBCSA to better ensure compliance through licensee education.

René Brakel

Manager, Inspections & Investigations



LICENSING AND ADMINISTRATION TEAM

The Licensing and Administration team handles the administration of the renewal of the licences of approximately 3,200 personal and business licences. 2007 was a particularly challenging year with the implementation of a new information technology system, which allowed for online renewals of funeral director licences and the processing of credit card payments for both business and personal renewals. Many licensees took advantage of the new opportunities, particularly the option of paying by credit card.

The face of the team changed somewhat with Liselotte Kidston joining the team as the new Coordinator Administrative Services, following the departure of Renée Toleck. Vicki McCoy joined the team on a permanent fulltime basis as the Professional Competence Officer. The team was pleased to see Claude Civil return to the team at the end of the year, after a parental leave, returning the team to full complement.

Election (Province Wide Election)

The Licensing & Administration Team administered the 2007 Province Wide Election, which officially took place on October 3, 2007. While maintaining the requirements of the Election Protocol, the team streamlined the process for obtaining the necessary paperwork from each nominee to be forwarded to the Minister of Government and Consumer Services.

Licensing / Registration

The introduction of a new database in 2007 allowed funeral directors to renew online for the first time and to streamline the renewal procedures for both individual and business licences.

The changes also allowed many licensees to take advantage of the option of payment via credit card. The new payment option necessitated new protocols to ensure the privacy & security of credit card information.

Approximately 10% of funeral directors took advantage of renewing directly online, and were impressed with the system. We anticipate more licensees utilizing the service in 2008.

The Licensing and Administration team embraced the changes, which allowed the team to process the 2007 personal renewals on average within 3 business days and business renewals within 7 business days of their receipt. The staff was able to maintain similar service levels as in 2006, despite starting almost one month later due to technical difficulties with the new system.

To facilitate the processing and decrease the time required to process new applications from interns, all the interns were asked to complete the Consent form for a criminal record check at the June review. This allowed the staff to process the forms and as a result decrease the processing time for the majority of applicants from 5-7 days to 1-2 days.

To address the delay in individuals applying for their licence, letters were sent to encourage new candidates that had not yet applied for a licence to submit their applications for licensure promptly to ensure they were properly licensed. As a result the majority of eligible candidates returned their applications promptly.

Proposals / Orders / Conditions & LAT

The Registrar issued twelve Proposals & Orders in 2007, up from the ten issued in 2006. Some conditions were placed on the licences of a few individuals, most voluntarily, thereby eliminating the need for a hearing before the Licence Appeal Tribunal (LAT).

Of the nine proposals and three orders issued, none were appealed to LAT. Three proposals were carried out resulting in the revocation of two funeral establishment licences and one funeral director's licence.

The conditions placed on any licence are monitored to ensure compliance.

Education & Professional Development

PD 2007 Toronto was attended by 366 funeral directors, with many positive comments about the program.

The Preceptor Training Program was held three times – November 2006, April 2007, and October 2007. The staff continues to make revisions to the program to ensure its currency and value to attendees. The most notable in 2007, was the addition of training around “How to Assess an Embalming.”

Keeping the program current has contributed to the success and positive response from those licensees taking the program. The continued positive support and interest is encouraging as we move toward our eventual goal of having all those who train interns take the program.

Practical Examiner Training was offered in February and practical examinations began following the meeting to ensure those interns wanting to complete the exam earlier could do so.

Supporting Interns

A number of new initiatives took place this year with interns. The Board introduced its Intern Outreach Program, offering thirteen workshops across the province intended to provide interns the opportunity to share successes and solve challenges together. The program is intended to provide interns with tools to empower them to make their internship more successful. With strong support from interns, the Board is committed to carrying out the program again in 2008.

Attendee feedback was positive and included recommendations, most of which have been implemented for the 2008 program. The Board held a focus group of interns following their internship. Based on intern feedback from both the intern outreach program evaluations and the focus group, the Board has implemented changes to some of its own forms, such as the embalming report, and embalming guidelines and will continue to seek ways to enhance the support to interns and preceptors.

The Board also took part in Humber’s Career Fair, allowing interns the opportunity to discuss their upcoming internship. The contact allows the interns to put a face to the names of the individuals they will deal with at the Board, which seems to raise their comfort level to make inquiries of the Board.

New Information Technology Infrastructure Means Better Service

The introduction of the new database and Web site have not only automated aspects of the renewal process, but have also allowed for the automation of reminder and notification letters, such as reminders of overdue Reports of the Public Accountant (RPA), the registration of interns, notification of exam results and inspection letters.

The system identifies the licensees whose RPA is overdue and generates a reminder. Notices are issued monthly to licensees whose reports have not yet been received.

Web site training for staff will allow staff to update the site more frequently. While more substantive changes will have to be implemented by external experts, the posting of documents, updating of events, etc. can now be done readily by staff. This is just another way to improve communications with licensees and the public.

For the first time the 2007 Business Directory was posted on the Web site in PDF format, along with all newsletters & annual reports.

The three newsletters published in 2006/07 contained regular updates on the impending *Funeral Burial and Cremations Services Act, 2002*.

Goals and Objectives 2008

The Licensing and Administration team will continue to utilize the various features of the new database to increase efficiency and improve delivery of services to BOFS staff, licensees, professionals, government and consumers.

The team will investigate ways to use the Web site to improve service delivery to its stakeholders through the Events Calendar and the posting of commonly requested documents such as "How to Open a Funeral Establishment or Transfer Service."

The Registrar and team will investigate creating a system for posting employment opportunities for interns and funeral directors or those looking for employment.

Susan Beck

Manager, Licensing & Administration

STATISTICS FOR 2006/2007
REGISTRATIONS AND LICENCES ISSUED

| Personal Licences | 2007 | 2006 | 2005 | 2004 |
|---------------------------------------|-------------|-------------|-------------|-------------|
| Funeral director active | 1,890 | 1,879 | 1,869 | 1,818 |
| Funeral director inactive | 732 | 733 | 688 | 702 |
| Funeral director conditional | 18 | 19 | 18 | 17 |
| Funeral director resigned | 0 | 3 | 0 | 0 |
| Funeral director revoked | 1 | 0 | 0 | 0 |
| Funeral director suspended | 3 | 1 | 1 | 0 |
| Funeral director emeritus | 63 | 55 | 55 | 52 |
| Funeral director re-instated | 2 | 6 | 3 | 4 |
| Registered Transfer Service Operators | 7 | 4 | 5 | 5 |
| Labour Mobility Transfer | 2 | 2 | 1 | 1 |
| Business Licenses | 2007 | 2006 | 2005 | 2004 |
| Funeral Establishments | 565 | 564 | 567 | 568 |
| Offering Services to the Public | 562 | 560 | 563 | 565 |
| Not Offering Services to the Public | 3 | 4 | 4 | 3 |
| Transfer Services | 39 | 37 | 35 | 35 |
| Conditional | 0 | 10 | 1 | 1 |
| Revoked | 2 | 3 | 1 | 1 |
| Refused | 0 | 0 | 1 | 1 |
| New funeral establishments | 6 | 5 | 6 | 7 |
| New transfer services | 2 | 3 | 1 | 7 |
| Changes of ownership | 32 | 22 | 10 | 19 |
| Closed funeral establishments | 5 | 7 | 7 | 7 |
| Closed transfer services | 2 | 2 | 1 | 1 |
| Exam attempts | 2007 | 2006 | 2005 | 2004 |
| Licensing Exams: December | 12 | 20 | 17 | 6 |
| Licensing Exams: June | 104 | 90 | 90 | 87 |
| Active/Inactive Exam | 1 | 1 | 0 | 1 |
| Re-instatement Exam | 2 | 2 | 3 | 4 |
| Legislative Exam | 2 | 2 | 1 | 1 |
| Out of country candidate | 0 | 0 | 1 | 0 |

Financial Outlook

Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2007. Complete financial statements are available from the Board of Funeral Services upon request.

HARRIS & WRIGHT LLP

CHARTERED ACCOUNTANTS

TELEPHONE: (416)924-1157 FAX: (416)924-2523

JOHN R. MAYHUE, B. COMM., C.A.
FRED J. BRASS, B. COMM., C.A.

SUITE 408, 1300 YONGE STREET
TORONTO, ONTARIO M4T 1X3

AUDITORS' REPORT


To the Directors of
Board of Funeral Services

We have audited the balance sheet of the Board of Funeral Services as at October 31, 2007 and the statements of revenue and expense - operations & special initiatives, net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
November 29, 2007


Chartered Accountants
Licensed Public Accountants

BOARD OF FUNERAL SERVICES
(Under the *Funeral Directors and Establishments Act, 1989*)

BALANCE SHEET
October 31, 2007

| | | Comparative 2006 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and bank | \$ 42,844 | \$ 19,350 |
| Sundry receivables (Note 4) | 10,368 | 13,740 |
| Prepaid expense | 26,026 | 36,553 |
| | <u>79,238</u> | <u>69,643</u> |
| Investments - at cost plus accrued interest (Note 3) | <u>1,869,647</u> | <u>2,025,803</u> |
| Capital assets - at cost: (Note 2) | | |
| Office furniture, computers and equipment | 173,820 | 206,928 |
| Leasehold alterations | 21,353 | 21,353 |
| | <u>195,173</u> | <u>228,281</u> |
| Less - Accumulated amortization | <u>117,692</u> | <u>140,244</u> |
| | <u>77,481</u> | <u>88,037</u> |
| | <u>\$ 2,026,366</u> | <u>\$ 2,183,483</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 66,477 | \$ 124,662 |
| Deferred licence fee revenue (Note 2) | 211,495 | 211,835 |
| | <u>277,972</u> | <u>336,497</u> |
| NET ASSETS | <u>1,748,394</u> | <u>1,846,986</u> |
| | <u>\$ 2,026,366</u> | <u>\$ 2,183,483</u> |

BOARD OF FUNERAL SERVICES

STATEMENT OF REVENUE AND EXPENSE - OPERATIONS & SPECIAL INITIATIVES

Year ended October 31, 2007

| | | Comparative 2006 |
|---|--------------------|---------------------|
| REVENUE | | |
| Funeral Directors' licence fees | \$ 397,460 | \$ 393,769 |
| Funeral Establishments' licence fees | 820,360 | 830,155 |
| Transfer Services' licence fees | 28,890 | 27,116 |
| | <u>1,246,710</u> | <u>1,251,040</u> |
| Duplicate certificates | 270 | 400 |
| Student registration fees | 3,050 | 5,650 |
| Student examination fees | 17,400 | 15,250 |
| Professional development | 108,041 | 94,882 |
| Investment revenue | 86,009 | 98,281 |
| Administration fees - Compensation Fund | 5,498 | 7,034 |
| Sale of Directories, Acts and Miscellaneous revenue | 7,416 | 5,428 |
| Reimbursement - Ministry of Government & Consumer Services | <u>4,931</u> | <u>5,057</u> |
| | <u>1,479,325</u> | <u>1,483,022</u> |
| EXPENSE (Schedule A) | | |
| Salaries, benefits and compensation | \$ 750,465 | \$ 712,441 |
| Transportation and communication | 231,426 | 235,707 |
| Services | 173,797 | 153,423 |
| Supplies and equipment | <u>231,566</u> | <u>222,889</u> |
| | <u>1,387,254</u> | <u>1,324,460</u> |
| EXCESS OF REVENUE OVER EXPENSE | <u>92,071</u> | <u>158,562</u> |
| SPECIAL INITIATIVES (NOTE 6) | <u>190,663</u> | <u>162,059</u> |
| EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES | <u>\$ (98,592)</u> | <u>\$ (3,497)</u> |

BOARD OF FUNERAL SERVICES

STATEMENT OF NET ASSETS

Year ended October 31, 2007

| | | Comparative 2006 |
|--|---------------------|---------------------|
| BALANCE, beginning of year | \$ 1,846,986 | \$ 1,850,483 |
| EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES | <u>(98,592)</u> | <u>(3,497)</u> |
| BALANCE, end of year | <u>\$ 1,748,394</u> | <u>\$ 1,846,986</u> |

BOARD OF FUNERAL SERVICES

STATEMENT OF CASH FLOWS

Year ended October 31, 2007

| | | Comparative 2006 |
|--|---------------------|---------------------|
| CASH PROVIDED FROM OPERATIONS | | |
| Excess of expense over revenue after special initiatives | \$ (98,592) | \$ (3,497) |
| Items not affecting working capital: | | |
| Amortization | 17,382 | 18,687 |
| | (81,210) | 15,190 |
| Net change in non-cash working capital (see below) | (44,626) | 22,934 |
| Cash provided by (used in) operations | (125,836) | 38,124 |
| CASH USED IN INVESTING ACTIVITIES | | |
| Capital asset additions | (6,826) | (37,719) |
| Increase (decrease) in cash | (132,662) | 405 |
| Cash at beginning of year | 2,045,153 | 2,044,748 |
| CASH AT END OF YEAR | \$ 1,912,491 | \$ 2,045,153 |
| Cash at end of year represented by: | | |
| Cash | \$ 42,844 | \$ 19,350 |
| Investments | 1,869,647 | 2,025,803 |
| | \$ 1,912,491 | \$ 2,045,153 |
| NET CHANGE IN NON-CASH WORKING CAPITAL | | |
| Increase (decrease) in: | | |
| Current assets: | | |
| Sundry receivables | \$ (3,372) | \$ 4,893 |
| Prepaid expense | (10,527) | 8,713 |
| | (13,899) | 13,606 |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | (58,185) | 57,361 |
| Deferred licence fee revenue | (340) | (20,821) |
| | (58,525) | 36,540 |
| NET INCREASE (DECREASE) IN NON-CASH WORKING CAPITAL | \$ 44,626 | \$ (22,934) |

BOARD OF FUNERAL SERVICES

NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2007

1. MISSION

The mission of the Board of Funeral Services (the 'Board') is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act;
- Supplying information to consumers about their rights;
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- Developing and implementing educational programs for funeral service and transfer service providers;
- Consulting with stakeholders in order to ensure their needs and interests are identified;
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Minister of Government & Consumer Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act, 1989*.

2. SIGNIFICANT ACCOUNTING POLICIES

Amortization

Amortization on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

Deferred licence fee revenue

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year and any 2007 fees collected.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Revenue recognition

Fee revenue is recognized when received.

3. INVESTMENTS - Market value \$ 1,825,474 (2006 - \$ 1,995,793)

Comparative
2006

| | | | | |
|---|----|-----------|----|-----------|
| Enbridge Inc - 3.95%, maturing February 15, 2010 | \$ | 175,442 | \$ | - |
| Canada Bond - 3.958%, maturing March 15, 2009 | | 476,309 | | 458,939 |
| Bank of Nova Scotia - 3.722%, maturing November 5, 2007 | | 510,178 | | 510,176 |
| Citigroup Finance Canada - 3.49%, maturing September 28, 2008 | | 498,523 | | 499,305 |
| Manulife Savings Bank Fund - 181,984.290 units | | - | | 181,984 |
| Province of Ontario - 4.407%, maturing December 2, 2007 | | - | | 173,280 |
| Toronto Dominion Bank - 5%, maturing February 14, 2007 | | 202,036 | | 202,119 |
| RBC Premium Money Market Fund - 726.905 units | | 7,159 | | - |
| | \$ | 1,869,647 | \$ | 2,025,803 |

All investment transactions were made within the scope of the Board's by-laws.

BOARD OF FUNERAL SERVICES

NOTES TO FINANCIAL STATEMENTS CONT'D

Year ended October 31, 2007

4. SUNDRY RECEIVABLES

| | | | Comparative 2006 |
|--|----|---------------|---------------------|
| Ministry of Government & Consumer Services - reimbursement | \$ | 3,527 | \$ 5,057 |
| Compensation Fund and miscellaneous | | 6,841 | 8,683 |
| | \$ | <u>10,368</u> | \$ <u>13,740</u> |

5. LEASE COMMITMENTS

Office space is leased under a long-term agreement expiring September 1, 2011. Autos, which are leased for the inspectors, have lease expiry dates of April 2008. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2007:

| | | |
|---------------------|----|----------------|
| 2008 | \$ | 66,984 |
| 2009 | | 55,598 |
| 2010 | | 55,597 |
| 2011 | | 42,542 |
| 2012 and thereafter | | <u>1,144</u> |
| | \$ | <u>221,865</u> |

6. SPECIAL INITIATIVES

| | | | Comparative 2006 |
|---|----|----------------|---------------------|
| Computer - Database Technology and Software Development | \$ | 156,622 | \$ 138,961 |
| Computer equipment | | 5,850 | - |
| Education Review | | 5,748 | 1,676 |
| Labour Mobility Forum expense - Competency Profile | | 80 | 1,750 |
| Long Range Planning | | - | 146 |
| Public relations | | 22,363 | 18,750 |
| Web site | | - | 776 |
| | \$ | <u>190,663</u> | \$ <u>162,059</u> |

The Excess of Expense over Revenue of \$98,592 (2006: \$3,497) is a direct result of the Board's decision to draw on its net assets for these planned budgeted initiatives.

7. FINANCIAL INSTRUMENTS

Fair Value

The Board's financial instruments include cash, sundry receivables, investments, accounts payable and accrued liabilities. The fair value of all financial instruments, other than investments, approximate their carrying values. The value of investments at October 31, 2007 was \$1,825,474.

PREPAID FUNERAL SERVICES COMPENSATION FUND
(Under the *Funeral Directors and Establishments Act*, 1989)

BALANCE SHEET

October 31, 2007

| | | Comparative 2006 |
|--------------------------------------|----------------------------|----------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash: | | |
| Toronto Dominion Bank | \$ 643 | \$ 15,593 |
| TD Private Client Group | 287 | 30,059 |
| Investment income receivable | 8,447 | 7,937 |
| | <u>9,377</u> | <u>53,589</u> |
| Investments - at cost (Note 3) | 1,985,982 | 1,854,732 |
| | <u>\$ 1,995,359</u> | <u>\$ 1,908,321</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accrued liabilities | \$ 4,292 | \$ 4,375 |
| Payable to Board of Funeral Services | 6,358 | 7,567 |
| | <u>10,650</u> | <u>11,942</u> |
| NET ASSETS | 1,984,709 | 1,896,379 |
| | <u>\$ 1,995,359</u> | <u>\$ 1,908,321</u> |

STATEMENT OF REVENUE AND EXPENSE

Year ended October 31, 2007

| | | Comparative 2006 |
|------------------------------------|-----------------------------|-----------------------------|
| Revenue: | | |
| Initial payments | \$ 7,920 | \$ 6,662 |
| Capital gains distributions | 21,572 | - |
| Interest and dividend income | 84,704 | 74,632 |
| Voluntary payments | 6,431 | - |
| Other income | 25 | 5,894 |
| | <u>120,652</u> | <u>87,188</u> |
| Expense: | | |
| Administration costs | 5,498 | 7,034 |
| Audit fees | 2,888 | 2,916 |
| Bank charges | 16 | - |
| Legal fees | 212 | - |
| Prepaid funds compensated | 2,371 | - |
| Trust administration fees | 21,337 | 20,826 |
| | <u>32,322</u> | <u>30,776</u> |
| EXCESS OF REVENUE OVER EXPENSE | <u>\$ 88,330</u> | <u>\$ 56,412</u> |

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